

REMARKS

In response to the above identified Office Action, the Applicant submits the above amendments and respectfully requests reconsideration in view of the remarks below. Claims 1, 9 and 20 are amended. No claims have been added or cancelled. Accordingly, claims 1-22 are pending in the application.

I. Interview Summary

An interview was conducted on August 6, 2008 including the Applicant, the Applicant's attorney, the Examiner and the Examiner's supervisor. No agreement was reached regarding the claims at that time. However, it was requested that the Applicant submit proposed claim amendments clarifying the entities and the relationship between the entities performing the recited claims. The Applicant submitted the proposed claims on August 7, 2008. The Examiner subsequently indicated that these amendments would overcome the current anticipation rejections, but that further review would be required to determine whether the claims would be rejected on other grounds such as obviousness.

II. Claims Rejected Under 35 U.S.C. § 102

Claims 1-4, 7-12, and 15-22 stand rejected under 35 U.S.C. § 102 as allegedly being anticipated by U.S. Patent No. 6,411,938 issued Gates, et al. (hereinafter "Gates").

To establish anticipation, the Examiner must show that the cited reference teaches each of the elements of the claims. The Examiner acknowledged subsequent to the Interview on August 6, 2008, as discussed herein above, that the proposed claim amendment for claim 1 was not anticipated by Gates. The Applicant has amended the other independent claims to include analogous elements to those in amended claim I. Thus, the Applicant believes, based on the

feedback of the Examiner that the independent claims are not anticipated by Gates. Accordingly, reconsideration and withdrawal of the anticipation rejection of independent claims 1 and 20 are requested.

Claims 2-4, 7-12, 15-19, 21 and 22 depend from independent claims 1 and 20, respectively, and incorporate the limitations thereof. Thus, at least for the reasons mentioned above in regard to the independent claims, Gates does not anticipate these claims. Accordingly, reconsideration and withdrawal of the anticipation rejection of these claims are requested.

III. Claims Rejected Under 35 U.S.C. § 103

Claims 5, 6, 13 and 14 stand rejected under 35 U.S.C. § 103 as allegedly being unpatentable over Gates in view of U.S. Patent 6,606,606 issued to Starr (hereinafter "Starr") or Official Notice.

These claims depend from independent claim 1 and incorporate the limitations thereof. Thus, for the reasons mentioned above in regard to claim 1, the Applicant believes that Gates fails to teach each of the elements of these claims. The Examiner has not relied upon and the Applicant has not discerned any part of Starr that cures the identified defects of Gates. Therefore, the Examiner has not established that Gates in view of Starr teaches or suggests each of the elements of these claims.

Also, the Examiner has not yet set forth any basis for modifying Gates or Starr. The Applicant will respond to such an analysis when it has been set forth in sufficient detail to satisfy *KSR International Co. v. Teleflex Inc.*, 550 USPQ2d 1385 (2007), which requires an explicit analysis be made as "rejections on obviousness grounds cannot be sustained by mere conclusory

statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” See *KSR International Co. v. Teleflex Inc.*, at 1396. Therefore, the Applicants believe that a *prima facie* case of obviousness has not been established for these dependent claims based on the amendments to the independent claims discussed above.

Traversal of Official Notice

In regard to the Examiner taking Official Notice, the Applicant traverses this taking of Official Notice. To properly establish a *prima facie* case of obviousness based on facts asserted as common knowledge or by Official Notice, the Examiner must first establish that the facts that the Examiner intends to assert as common knowledge or take Official Notice of are suitable for such assertion. MPEP § 2144.03 clearly sets forth that such facts must be “capable of instant and unquestionable demonstration as being well-known,” as established by *In re Ahlert*, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970). The Applicant notes that the Examiner takes the limitations of the relevant claims out of context when taking Official Notice. The claims recite “provid[ing] bonding for payroll tax funds received from clients,” “providing trust investment services by the vendor to the payroll service provider,” and “restricting the payroll service provider access to the payroll tax trust management processing system based on user security level” in conjunction with a payroll tax trust management system. The recited elements of which Official notice is taken are not offered or known in this context. While these are concepts that are known in other contexts, the Applicant believes that they are not previously utilized in this context. Thus, when the claims are taken as a whole, then use of Official Notice is inappropriate.

Further, the Examiner has failed to establish these allegedly well known facts as part of the record as required by MPEP § 2144.03 and *In re Zurko*, 59 USPQ2d 1693 (Fed. Cir. 2001). MPEP § 2144.03 clearly sets forth that the Examiner must provide “specific factual findings

predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge.” The Examiner has not provided such support. Further, as clarified in *In re Zurko*, “[w]ith respect to core factual findings in a determination of patentability, however, the Board cannot simply reach conclusions based on its own understanding or experience – or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.” See *In re Zurko* at 1697. Thus, the assertion of Official Notice has not been properly established by the Examiner and cannot be relied upon as a basis for a *prima facie* case of obviousness.

Also, it is not possible for the Applicant to set forth reasons as to why the noticed fact are not considered to be common knowledge or well-known in the art, because the Examiner has not supplied the requisite technical and scientific reasoning as part of the record for the Applicant to rebut. Rather, the Examiner has only made conclusory statements of what he believes to be well known, which is contradictory to the requirements of *In re Zurko*. Accordingly, the Applicant invites the Examiner to correct his Official Notice or withdrawal the related rejections based on it. Thus, the Examiner has failed to establish a *prima facie* case of obviousness for claims 5, 6, 13 and 14. Accordingly, reconsideration and withdrawal of the obviousness rejection of these claims is requested.

CONCLUSION

In view of the foregoing, it is believed that all claims now pending, namely claims 1-22, patentably define the subject invention over the prior art of record, and are in condition for allowance and such action is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward to allowance, the Examiner is encouraged to contact the undersigned at (310) 207 3800.

Respectfully submitted,

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Dated: 9/30, 2008

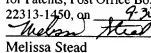


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Melissa Stead

9/30, 2008